Postgraduate Diploma in Marketing
June 2019 Examination
Contemporary Marketing for Sustainability (CMS)

Date: 26 June 2019

Time: 1300Hrs – 1600Hrs
Duration: Three (03) Hrs

Total marks for this paper is 100 marks.

There are two parts in this question paper. All questions in Part One are compulsory.

It includes a mini case.

Part Two includes 6 Essay Type Questions. Answer 03 questions from this part.

Instructions to candidates

1. State your Registration Number on the front cover of the answer book and on each and every additional paper attached to it. Your name must not appear anywhere in the answer book or answer scripts.

2. Always start answering a question on a new page.

3. You are reminded that answers should not be written in pencil or red pen except in drawing diagrams.

4. Answer the questions using:
   - Effective arrangement and presentation
   - Clarity of expression
   - Logical and precise arguments
   - Clear diagrams and examples where appropriate

5. Illegible handwriting and language errors will be penalised.
PART ONE

Answer all questions

Question 01: Case Study

Operating since 2001, ‘Paradise Spa’ is a well-established and highly reputed ‘ayurvedic spa’ service, located in Colombo, providing professional ayurvedic massage and other treatments to high end customers. However, the management is seriously concerned about the recent decline of demand from both existing and new customers that has adversely affected its sales and profitability. A research recently conducted by the company revealed that there are many new spas available for customers including luxury spas run by foreign players to choose from and that some of them offer better facilities and services than ‘Paradise’. Customers had clearly claimed that they do not have a compelling reason to visit ‘Paradise’ Spa further. They view some of the competitive places as more attractive in terms of physical appearance, the way the staff deliver the services and availability of more easy options for placing orders and making payments etc. Another insight that came was that many current and potential customers feel that many of the spas are not professionally managed and have ‘inappropriate businesses’ under the name of ‘spa’, thus visiting spas is not a good idea.

a) Discuss the applicability of additional three (03) Ps of the extended marketing mix to ‘Paradise’ in order to address the declining demand.

(06 Marks)

b) Describe appropriate strategies that the management of ‘Paradise’ can adopt to minimize the perceived risk of potential new customers.

(10 Marks)

c) Discuss how ‘Paradise’ can use ‘the Flower of Service Model’ to deliver a superior value to its premium customers than the other competitive places.

(12 Marks)

d) ‘Paradise’ requires a more appealing positioning strategy in order to retain their existing customers and attract new customers in the present market conditions. Describe how ‘Paradise’ can use market analysis, internal analysis and competitive analysis in order to find a desired position in the market.

(12 Marks)

(Total 40 Marks)
PART TWO

This part includes SIX Essay Type Questions
Answer THREE questions

Question 02
Marketing management tasks in the service sector differ from those in the manufacturing sector due to differences between services and goods. Discuss the managerial implications and marketing related tasks of each difference.

(Total 20 Marks)

Question 03
From a process perspective, services can be classified into four broader categories. Describe the characteristics of four service categories with examples and discuss the managerial implications of each.

(Total 20 Marks)

Question 04
When customers are present at service delivery outlets of high contact services such as restaurants and banks, the management is responsible for delivering a quality customer experience to their customers. Discuss the applicability of ‘Servuction Model’ and ‘Theatre as a Metaphor for Service Delivery’ model to facilitate customer experience management by such high contact service firms.

(Total 20 Marks)

Question 05
Discuss why effective pricing is significant for service organisations and describe key decisions to be made by managers when putting service pricing into practice.

(Total 20 Marks)

Question 06
According to the ‘Wheel of Loyalty’ model, ‘building a foundation for loyalty’, ‘creating loyalty bonds’ and ‘reducing churn drivers’ are the essential requirements for creating a loyal customer base. Discuss.

(Total 20 Marks)
Question 07

a) Social is more than likes, hashtags and re-tweets. It is more than just platforms, technology and community management. Recommend how a brand can build a social media engagement using suitable examples.

(10 Marks)

b) Social media has changed the traditional communication model to a more people driven communication model. Explain the role of social media in this complex communication model by drawing suitable examples.

(10 Marks)

(Total 20 Marks)

(Total 60 Marks)

(Total 100 Marks)